



Developing Strategic Marketing Plan for International Tourism Industry

Case company: Ai Bo Ltd

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ABSTRACT

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<p>International travel agency is the case company where I did my practical training. This thesis focuses on analyzing the case company's current situation, market environment and competition situation in the tourism market. The main objective is to analyze the complex situation of the case company to develop a strategic marketing plan for the case company to gain competitive advantage. In order to reach the objective, the thesis finds answers to the questions of what the current strategic marketing plan of the case company is, and how it is possible to inform the case company in strategic marketing plan.</p> <p>In this thesis, I provide the theoretical knowledge to support my thesis in chapter two. The theoretical background is divided into four aspects. The first gives the basis theoretical knowledge of a strategic marketing plan, followed by discussions of strategic planning, strategic management and strategic marketing. The main analysis of strategic marketing planning process is expanded onto external analysis, internal analysis, competitor analysis and SWOT analysis. Discussions of marketing mix in the travel and tourism industry complete the theoretical background chapter.</p> <p>The research part is chapter three and it includes discussions of quantitative and qualitative methods to show how the research and collection of the data were managed for analyzing the data. Considerations on research validity and reliability are also included in the discussions, the potential limitations in this research.</p> <p>The result of this thesis is a feasible strategic marketing plan based on analyzing AiBo international travel agency. The new strategic marketing plan puts forward new ideas and suggests a marketing strategy for the development of the case company's tourism business.</p>	
Keywords: Strategic marketing plan, AiBo Ltd, Tourism, Analysis, Competitor.	

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1 INTRODUCTION

The objective of the thesis is to develop a strategic marketing plan for the case company. I did my practical training in the case company in the third year of my studies. This company has its own systematic strategic marketing plan and stable international market. The six months while working in the case company gave a good understanding of the company and what I am interested in. Therefore, I choose the case company for my thesis.

1.1 Motivation and Background

“Tourism is deemed to include any activity concerned with the temporary short-term movement of people to destinations outside the places where they normally live and work, and their activities during the stay at these destinations” (Middleton and Clarke 2001, 5.) Tourism is mainly engaged in soliciting tourists, providing transportation, tours, lodging, dining, shopping, and entertainment of industry. Tourism business should have three parts: tourism, passenger transport industry and hotel-represented lodging industry. (Liyi 2010, 27.) With the development of economy, an increasing number of people travel as leisure activity. Therefore; many countries in the development of the tourism industry attract tourists. “Around the world, measured as arrivals or trips, the numbers of international tourism and their expenditure have grown strongly since the 1950s.” (Middleton & Clarke 2001, 5.) In the future, tourism will become an important industry in the global economy.

This thesis has AIBO international travel agency as the case company. I have a basic understanding of the operations of the case company through my traineeship and I am also interested in it. This thesis focuses on analyzing the case company’s current situation, market environment and competition at the tourism market. The thesis makes an empirical analysis, and puts forward suggestions for the travel agency concerning its own characteristics and advantages to choose its target market.

Therefore, I decide to choose the case company for my thesis.

1.2 Objective

Deriving from my interest for researching, the objective and research questions are thought out. The case company was and is aiming at reaching competitive advantages by implementing the marketing strategy. Through further discussion with the case company, the objective of this research was decided, i.e. by analyzing the complex situation of the case company the objective is to develop a strategic marketing plan for the case company to gain competitive advantage.

1.3 Research Questions

Correspondingly, the following research questions were formulated by discussing with the case company:

What is the current strategic marketing plan of the case company?

In order to answer this question, an interview with the general director of the case company is conducted to find out the company's current situation and the strategic marketing plan in their international marketing. The analysis of literature is used to support the decision made by the case company.

How is it possible to inform the case company in strategic marketing plan?

The second question considers strategic analysis from the perspectives of the business environment and competitive intelligence. Literature analysis, interview, questionnaire and practice training experiences of my own are utilized. The second research question is answered through answering the sub-questions discussed below. The sub-research questions are as follows:

1. What are the factors that influence the tourism industry marketing?

In order to answer this question, the analysis of literature is used. Furthermore, the question is answered through analyzing the current situation of the case company.

2. What are the elements that should be considered when developing a new strategic marketing plan for the case company?

By finding support from the theoretical knowledge and the analysis of the case company's market, the major elements of a new strategic marketing plan for the case company are presented in the empirical part of this research.

3. How is it possible to develop a new strategic marketing plan for tourism industry?

The third question is answered on the basis of the answers to the first and second sub-questions. In addition, the information from the interview with the marketing director of the case company is used to make the decision of the new strategic marketing plan.

1.4 Case Company Description

AIBO International Travel Service was founded in 2002, One of China's largest travel agency group, with 104 directly vertical management branches in China. I worked in one of these branches, i.e. the Finland branch. The Finland branch is responsible for Asian business to the five Nordic countries.

The case company consists of 17 departments, with more than 300 employees, including permit holder's leader, and 205 staff members with guide cards. The operation and development of the company always adhere to the "character first" with excellent moral character casting the soul of enterprises industry. They have always

stressed the moral character, emphasizing the moral character of the dominant role of corporate behavior, and thus leads to "do the honest people", to provide customers with personalized service.

1.5 Structure of the study

The thesis is divided into five chapters. I give the general introduction of motivation and background of the thesis in chapter one. In chapter two, relevant literature reviews are performed. Chapter three provides the discussion of the research methodology for my thesis. In chapter four, the SWOT analysis is generated in order to evaluate the internal and external impacts of the company. In addition, I analyze the process of the strategic marketing plan of the case company in chapter four, and then develop a suitable strategic marketing plan for the case company. The conclusion chapter completes the discussions in this thesis research.

2 LITERATURE REVIEW

The thesis objective of this research is to analyze and develop strategic marketing plan for the case company to gain competitive advantage. In this chapter, the theoretical knowledge is presented. Marketing developing strategy will be presented. In addition, situation analysis is another important part of discussions here. On the basis of the situation analysis, I will develop suitable strategic marketing plan for the case company.

The concept of theoretical background divided into four aspects. The first gives the basis theoretical knowledge of a strategic marketing plan; followed by discussions of strategic planning, strategic management and strategic marketing. The main analysis of strategic marketing planning process is expanded onto external analysis, internal analysis, competitor analysis and SWOT analysis. Discussions of marketing mix in the travel and tourism industry complete the theoretical background chapter.

2.1 Strategic marketing planning theory

2.1.1 Strategic planning

Strategic planning is a way to take into account increasing uncertainties of today's market place. It consists of carefully analyzing the external environment and the company's internal possibilities and strengths. Based on this internal and external analysis, a company must formulate a list of objectives and a strategy to reach those objectives. A strategy also should have a measure of flexibility. When it is necessary, the company must be able to change direction, for example, when there is an unanticipated action by a competitor. In reality, a company should at a minimum evaluate its long-term strategies annually and adjust them as necessary. (Karel 2007, 5.)

Companies face increasing competition. As a result, companies need to respond to their ever-changing environment with increasing speed and more highly developed strategic plans. Strategic planning can also play an important internal role at a company by creating alignment.

2.1.2 Strategic management

Strategic management is relevant to all the functional areas in a company, including marketing, finance, personal, purchasing, and production. It is important that management in the various functional areas be completely coordinated. Coordination and integration of decisions between the different functional areas in a company is the primary task of strategic management. (Karel 2007, 6.)

Strategic management is tool to help the organization does better work and understand how to compete for the future. It is a guiding process for members of an organization developing them necessary procedures and operations in the future. Like a decisions strategy for the organization process, as the process of growing and maintaining a strategic fit between target of organization and capability and it's changing marketing opportunities. (Philip Kotler 2009, 62.) It involves defining a clear company mission, setting supporting goals, designing a sound business portfolio, and coordinating functional strategies.

2.1.3 Strategic marketing

One of the most basic and fundamental decisions of a company is the selection of market to enter and for doing that they have to plan and execute the marketing strategies for the specific target market customers. According to Hooley, Saunders and Piercy, (2004), the development of a marketing strategy can be developed into following three steps: the establishment of a core strategy, the development of the company's competitive positioning and the implementation of the marketing strategy.

The establishment of the effective marketing strategy starts with evaluating, briefing, and assessment of company capabilities. Its main strength and weakness, opportunities and threats as compare to the company competition environment. On this information so called SWOT analysis. The core strategy of the company planned, identifying the marketing objectives and large focuses on achieving them.

In the next step select the market targets for customer as well as competitors. Meanwhile company also determines its company's differential advantages or competitive edge.

By third or implementation level a marketing organization capable of putting the strategy into practice must be developed. The implementation is also concerned with marketing mix, price, promotion and distribution of the services and products in the targeted markets. Finally, methods of control must be designed to ensure the successful implementation of marketing strategy and maximum output to achieve the company goals and objectives.

According to Lambin (2007), Purpose of strategic marketing is to lead firms to attractive economic opportunities, which are selected to its resources and know-how and offer potential growth and profit? On the other side operational marketing are sets of methods and action which are performed to acquire the company's short and medium targets and goals.

2.2 Marketing strategic planning process

Marketing strategic planning is a management tool to help the organization improve their work and understand how to compete for the future. It is a guiding process for members of an organization developing them necessary procedures and operations in the future. Like a decisions strategy for the organization process, as the process of

growing and maintaining a strategic fit between target of organization and capability and it's changing marketing opportunities. It involves defining a clear company mission, setting supporting goals, designing a sound business portfolio, and coordinating functional strategies. (Kotler 2009, 62.)

From the strategic planning process, the case company will be easily to identify the elements for the market, and how to prevent or handle them. Through the internal and external analysis, a company will make an option of market strategy. Final, it had provided guidelines of useful planning process strategy for the case company to achieve the goals. (Guo 2012)

The next sub-chapter looks at the analysis tools to explain the strategic marketing planning.

2.2.1 External analysis

A successful external analysis needs to be directed and purposeful. In many businesses there is no end to the material that appears to be potentially relevant. Without discipline and direction, volumes of useless descriptive material can easily be generated. PEST factor analysis to analyze the macro external environment elements summarized into the following four categories: political factors, economic elements, social factors, and technical elements. (David 2010, 22.)

The external analysis process should not be an end in itself. Rather, it should be motivated throughout by a desire to affect strategy. An external analysis can impact on strategy directly by suggesting strategic decision alternatives or influencing a choice among them. (David 2010, 22.)

Strategic uncertainty is a particularly useful concept in conducting an external analysis. Strategic uncertainties focuses on specific unknown elements that will

effects the outcome of strategic decision, most strategic decisions will be driven by a set of these uncertainties. (David 2010, 23.)

2.2.2 Internal analysis

An internal analysis of the business will help the strategist address questions which are should the existing strategy be enhanced, expanded, altered, or replaced (David 2010, 99). Internal analysis can also be conducted at each of business level. Analyses at different levels will differ from each other in emphasis and content, but their structure and thrust will be same. (David 2010, 99.)

Internal analysis consists of four aspects. "The first one is financial performance, provides an initial approximation as to how the business is doing. Then an analysis of other performance dimensions such as customer satisfaction, product quality, brand association, relative cost, new products, and employee capability, can often provide a more robust link to future profitability. The third is an analysis of the strengths and weaknesses that are the basis of current and future strategies. Last one is an identification and prioritization of the threats and opportunities facing the firm." (David 2010, 100.)

2.2.3 Competitor analysis

Competitor analysis is a part of external analysis. The goal of competitor analysis is influence the development of successful business strategies. The analysis should focuses on the identification of opportunities, threats, or strategic uncertainties created by emerging or potential competitor moves, weaknesses, or strengths. (David 2010, 42.)

Competitor analysis starts with indentifying current and potential competitors. There are two different kinds of competitors. The First one is the perspective of the customer

who must make choices among competitors. The Second kind of competitors attempts to place competitors in strategic groups on the basis of their competitive strategy. (David 2010, 42.)

2.2.4 SWOT analysis

SWOT analysis is a marketing strategic tool for competitor analysis, and monitoring both the internal and the external environments of a firm. (Kotler 2009, 89.) It gives an overall map for the case company's internal situation, and defines the competitive environment in attentive. SWOT stands for four capital letters: strength, weaknesses, opportunities, and threats. The strength and weaknesses in the SWOT analysis are related to competition. Strength defines the advantage of enterprise that has leading status compared with candidates. In other words, it also called competitive ability higher counter enterprise. Otherwise, weaknesses are lack of condition in competition. The internal factors viewed as strengths and weaknesses internal to the organization in areas as following:

- Company culture
- Organizational structure
- Access to natural resources
- Brand awareness
- Market share
- Operational sufficiency
- Exclusive contracts (Kotler 2009, 86).

According to the SWOT analysis tools, the SWOT analysis its use can be a realistic chance of the strength, and reduce the impact of threats and strengths. The most important thing is that they can reduce the potential threat and improve their weak at same time. (Karel 2007, 174.) A good SWOT analysis process should include with an accurate location for firm's strength, weaknesses, opportunities and threats, understand types for company's advantages and disadvantages, also get to forecasting

analysis opportunities and threats in marketing environments. SWOT analysis is one of the best and frequently used tools in this process. It should be applied in relation to competition to offer a comparative analysis of the organization and the competitors. (Karel 2007, 132.)

2.3 Marketing Mix strategies

The marketing mix may be defined as "the mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market." (Kotler 1984, 68.) "Marketing mix is the combination of the four elements, called the 4p's: product, price, promotion and place, that every company has the option of adding, subtracting, or modifying in order to create a desired marketing strategy." (Kotler, 2009, 92.)

According to Kotler (2009,92), marketing mix is an essential analysis tool used in marketing strategies, that considering enterprise environment, ability, and competitive conditions, looking forward the marketing factors, such as product, price, etc. Then to optimize the combination and use to make coordination, also used to achieve better economic and social benefits. (kotler 2009, 92.)

The most popular marketing mix classification is the 4Ps model: product, price, place, and promotion.

Product: Product refers to goods, people, services or ideas. Meaning for what is it and what does it do. And the factors include quality, features, style, brand etc. Methods used to improve the product or increase target sales more effectively to get more competitive advantage. An effectual product strategy should best-know customers' needs in marketing. For the case company, the first step must clearly understand what kind of product or services will be suitable for consumers demand. According to market experiences to recognized the needs and wants of customers, product

strategies' the key points focuses on customer's habit and value to support products or services. (Kotler 2009, 102.)

Price: Pricing is one of the most critical decision functions of a marketer. To a large extent, pricing decisions determine the types of customers an organization will attract. Likewise, a single error in pricing can effectively nullify all other marketing mix activities. (Keller 2008, 200.) According to Keller (2008, 200), pricing is a vital subject not only for the marketer but for the enterprise as a whole. The financial position of an organization is determined by its effectiveness at pricing its goods and services.

Therefore, for an organization to achieve its objective of profitability, prices should be fixed such that the target market sees it as commensurate with the product's perceived benefit. Ineffective pricing policies could have very serious commercial consequences and capable of resulting in bankruptcy or liquidation. Analysis for customers cost, it is the amount of value for product or services and the consumers exchanged for their benefits. Pricing strategies are analysis on how the price in the marketing will adapt to the needs of marketing environment, how to adjust the price, and how to respond to the competitor's price adjustment. The P of pricing decisions are very complex, and they are driven by customer demand, costs, information available, competition, profit motives, and product considerations. (Keller 2008, 201.)

Place: It means by which products and services get from producer to consumer and where they can be accessed by the consumer. The main objective is providing a convenient ways to services for target customers. It cares about the distribution channels, market coverage, locations, and supply chain logistics. The company activities, that chooses the suitable distribution methods makes the product available to customers. (Kotler 2009, 106.)

Promotion: Promotion refers to activities to convey services to customers through

advertising, sales promotion, public relationship, and marketing campaigns. Promotion is an essential marketing strategy on forming and maintaining relationships with target customers, which can significantly influence the whole business process. After all, an successful promotion strategy is driven by clear definition of the company's demand, the effective acquisition for updated information of potential buyers, and clear goals for the future development as well as its elaborate tactic on how to achieve them. (Kotler 2009, p106.)

The 4Ps developed into the 4C's to explain those concepts. In sum of Kotler (2009, 68), marketing strategy plan first step should thinking through the 4Cs, and then build the 4Ps in the plan. 4Cs factors are customers, competitors, capabilities, and company. With 4Cs could give deep analyses about who will buy the products or services in the markets, who provide the choice alternative of supplies, and who had the abilities to satisfy customers' needs. (Kotler 2009, 68.)

2.4 Summary for theoretical framework

To sum, the theoretical framework focuses on the marketing strategy planning. Making a successful marketing strategy plan for the case company in tourism industry market cannot leave out of the strong competition. The analysis for marketing strategy around the whole theorized basic, then go through the marketing planning process, it had been separated between external analysis and the SWOT analysis. The marketing mix strategies used to deeply describe marketing strategy plan in data result analysis. In the end, it will give the development of marketing strategy for the case company using these theoretical.

It has been designed in three theories levels of detail; marketing strategy theory was throughout the full text, as the whole consistent concept in theoretical process. All the knowledge sources will centralize to represent purpose in thesis; After that, in the middle of theories works going to case marketing planning process, it applied analysis

tools for making plan for the case company, and find out the best answer and explanations of marketing objective; at end the theories, marketing mix strategy is deeply position analyzed.

3 METHODOLOGIES

I will discuss how the data was collected in order to provide the needed information. In addition, research methods will be clarified in detail. The types of the data will be explained firstly, and then the research methods for data collection and data analysis for this research will be explained. Considerations will also be taken on research validity and reliability. After that the potential limitations embraced in this research will be pointed out.

3.1 Type of the data

There are two main types of data: quantitative and qualitative.

Quantitative research method is more based on the measurement of quantity or amount. "It is involved in identifying a sample and population, specifying the strategy of inquiry, collecting and analyzing data, presenting the results, making an interpretation, and writing the result of a study." (Kumar 2008, 5.) Therefore, the quantitative research results need to be presented in numerical form.

Qualitative research method is in the opposite way. It is always concerned with qualitative phenomenon. It often presented as words and observations. "Qualitative research focuses on, for example how people interpret their experiences, how they conduct their worlds, and what meaning they attribute to their experience. It is used for describing the events, but also goes deeper to know why and how. It cannot be used for statistics analysis, but explained deliberating and specifying based on an open-ended questionnaire, case studies, observations, and interviews." (Kumar 2008, 8; Merriam 2009, 5.)

3.2 Data collection

In this research, I collected data by using primary and secondary data. Primary data are data, or other information, collected for the purpose of the current marketing research, which should be gathered at first hand. Secondary data are data that are collected by person or agencies for purposes other than solving the problem at hand. (Kumar 2008, 93.) The type of research one should do is driven by the information needed. Marketing research can be either primary or secondary, and it can also be either qualitative or quantitative. (Kumar 2008, 161.)

In this thesis, I used the interviews and case study to achieve the objective. When I identified the objective of my thesis, I listed some of the questions to discuss with the marketing director of the case company. Interview is more direct to get the answers what I want to know. The questions should be structured based on what kind of messages or information I need to complete thesis findings. The interviews with working staffs are considered as the way of mail or telephone conversation. In this thesis, the method of a single case study is used in order to reach the objective of this research. "The case study is an empirical entity that investigates a contemporary phenomenon in depth and within its real-life context." (Yin 2009, 18.) In my second year of learning, I have internship in this company. I get the understanding of the case company, which help me research my objective more effective.

Literature review is a research activity and a contribution can be to get knowledge on a particular subject through the literature review. I also use it in my thesis in order to support my topic. I use most of the literature from the university library; there are some other literatures are from network.

Regarding the questionnaire, the electronic questionnaires by emails are sent to 50 customers after discussing with the case company. The reasons why I choose the electronic email questionnaire are that it is the most timesaving way. The electronic questionnaire is cheap and easy to administer. There are multiple personal data questions, open-ended questions and matrix rating scale questions. The forms of

questions are designed to assist the case company understand the needs of the customers through categorizing the different groups of the customers.

3.3 Data analysis

To analyze the data, the first step is to prepare the analysis. The data from the interview needs to be sorted by usage. All questionnaire data need to be unified and then do the analysis. After data preparation, is to analyze each question or measure by myself. From interviews, individual and detailed interviews have been conducted with the idea behind these interviews is to get understand closely the company's behavior about the document management in the organization, special need related to it, experiences about cloud services and purchasing behavior. From case company's Accounts, I have been a trainee in the company for a couple of months. In that period of time, lots of information and data had been created and saved. This has been located and retrieved during completion of the thesis.

By the way, validity and reliability of the analysis of the data for the data is required. Validity is seemed as truth. It relates to the extent to which the data collection method or research method describes or measures what it is supposed to describe or measure. It describes how well the findings define the real situation without being misled or influenced by individual perspective or purpose (Crowther & Lancaster 2008, 80). Reliability refers to the extent to which a particular data collection method will yield the same results in different occasions. It is one of the essential methods to know the selected measurement can whether consistently or stably measure the data or not. If the data is unreliable, then people should obviously to be careful in carrying research results from one situation to another. (Crowther & Lancaster 2008, 80.)

3.4 Limitation

While in the research of the study relative so smoothly, but there are still some

limitations. One limitation is that a lot older literature to support the current research. For example, I want to count the number of visitors to the country within a time range, but the data is constantly changing, and a lot of data exists in the past time, so the accuracy to be considered. Another limitation is about questionnaire, 50 people to do the questionnaire, often sent out 50 questionnaires, get back is very few. This cannot get the data what I want at the effective time, making it difficult to carry out the data analysis. Another limitation is that the case the company has many subordinate branches, I interview the object is the marketing director of the Finnish company, there only represent Finland business, so the views are often subjective, often represent the individual's point of view.

In general, although limitations are inevitable in the research of the study, this research can be still proceeding.

4 STRATEGIC MARKETING PLAN

In this chapter, I analyze the case company according to the findings from the research. The analysis is carried out through the theoretical framework concerning basic strategic management and marketing planning knowledge. I did the analysis in four aspects. Firstly, it is the current situation of the case company. The focus of this part is on analyzing the existing strategic marketing plan of the case company. The step to follow provides the analysis of the process of strategic marketing plan for case company, it consist of SWOT analysis, internal analysis, external analysis and competitive analysis of the case company. Then the choice of market competition strategy of the case company is pointed out by following part. Finally, it is the strategic marketing plan for reach my objective which is developing a strategic marketing plan for the case company in the tourism industry.

4.1 Current situation of the strategic marketing plan

AIBO International Travel Service was founded in 2002, One of Chinese largest travel agency group, with 104 directly vertical management branches in China. I worked in one of these branches, i.e. the Finland branch. The Finland branch is responsible for Asian business to the five Nordic countries.

The case company consists of 17 departments, with more than 300 employees, including permit holder's leader, and 205 staff members with tour guide permission. The operation and development of the company always adhering to the "character first" with excellent moral character casting the soul of enterprises industry. They have always stressed the moral character, emphasizing the moral character of the dominant role of corporate behavior, and thus leads to "do the honest people", to provide customers with tailored service

The case company implements four major strategic marketing plans.

(1) Information Marketing

The marketing purpose is disseminating information of the case Company through the network. Key information includes the following categories: news, tourism festivals, tourism events and travel guide. The marketing plan is disseminating through network platform to introduce the specialty of each scenic spot. All introduction concentrated on publicize the tourism events, festivals and service. The information also includes attractions ticket service information and graphic description information which are given by network platform.

(2) Theme Marketing

According to market hot spots, such as season, characteristics, and population trends and travel ways, the case company through theme marketing to implement promotion. Customer prefers to choose from a variety of scenic as a travel destination. The case company can disseminate their brand through theme marketing while expanding their clientele. The theme is usually associated with the local culture, festivals, and attractions' characteristics.

(3) Precision Marketing

The case company use data analysis to ensure that customers can through different channels to get tourist information. Case company has paid high value on customer feedback to do the analysis of customer satisfaction or opinions. Each quarter, the company holds a raffle. The company selects the lucky customers in existing customers, to give the corresponding prize.

(4) Brand Marketing

Brand Marketing is the process to enable customer to know the brand by marketing,

the enterprise in order to continue to receive and maintain a competitive advantage, it must build the marketing idea of the high-grade corporate brand and product awareness. The most senior marketing is not to creating a huge marketing network, but using the brand effect to impress the customers. Consumers recognize this product to consume, investors choose to cooperate recognize this enterprise. In the case company, thronging create special tourism events to extend scenic popularity. Thus to make more customers understand the attractions. In China, The largest online media platform is micro blogging, the case company through micro blogging publicity, so as to establish their brand image. Huge micro blogging users share travel information thus to attract an increasing number of people to understand the tourist information, thereby increasing brand awareness.

4.2 The Process of the Strategic Marketing Plan

4.2.1 Internal analysis

The case company has a customer-first convention. The corporate culture means establish brand awareness, with quality coming first, and further systematic management. The company's intentions can be seen, such as supplying the best products and offering the best service to customers. At the same time, the company also provides the most complete itinerary. The case company has rich side resources.

In 1978, The Chinese government start allowed Chinese to travel abroad by themselves. From that time, the number of the tourism company increased rapidly. Compare with other industry, tourism industry need more expertise and more services. Especially, tourism industry include some core service, for example: travel lists arrangement with customers, visa application for customers, booking airplane, tour guide service and other services. Usually, all those processes are dependent on the manual operation (do not use computer), that means all the services processes will spend a lot time and low efficiency. But the case company as early as 8 years ago

already starts to use computer operations, these kinds of work way lead to the case company services become more clearly and perfect, a good service process control can improve their service quality and efficiency.

In 2005, AiBo opened a website named "travel network", this website is aim to support professional traveling information, and also offer a high value of tourism service for their potential customers. AiBo use internet tools to catch their customers that more potential customer know their products and services. Through the service online research, not only the company can see the customer's satisfaction; also can get online feedback for their service. To create high quality tourism service is not only a slogan in AiBo, they also do it.

Through 10 years hard work, AiBo gets much recognition of their domestic and international tourism services from customers. AiBo not only pursue higher quality service for customers, but also keep a good relationships with China national tourism authorities and different airlines, thus to construct an intensive tourism network to support their business.

Tour guide is one of the most important roles in an international tourism service. AiBo support a professional training to every guider, the training include such as: internal training courses, the ability of handling crisis, first aid training course, even various aesthetic appreciation courses etc... Of course, AiBo guiders also need to train how to arrange senior leader and provide secretary service, also they should know supplemented with local guide, to make sure every passenger can get the most perfect travel experiences.

The case company also open online customer satisfaction survey, let customer know the company's service quality. "Customer survey" becomes the best feedback system of the company listening to customers: through every VIP customer questionnaire reply to correct the weakness.

4.2.2 External analysis

China's tourism industry has rapidly growth is benefit from government's strong support. In China, many scholars generally divided into tourism listed companies, hotel class attractions class and integrated class. From the performance point of view, several listed companies were differentiation trend: Hotel Class is weak; attractions Class is smooth. With the improvement of people's living standards, tourism consumer groups are growing.

In order to analyze in detail of the macro environment of China's tourism development, I use PEST factor to analyze the environment for the development of China's tourism. PEST factor analysis to analyze the macro external environment elements summarized into the following four categories: political factors, economic elements, social factors, and technical elements.

Political elements: A continuous developing market is showing to us since the Chinese government changes their policy to reform and start to facing the international travelling industry. Chinese government always played a leading role in the field of the Chinese tourism industry. Tourism services (the services include repast, hotel, transportation, travel, or entertainments) are rapidly developing now. The Chinese government makes tourism industry as one of a leading industry to improve, that means the Chinese government put emphasis on tourism industry at present. We can see that the Chinese tourism industry developing has a strong government support.

Economic factors: With the development of world economy, people's living standard has uninterrupted improved and their interest has constant expand. People are keen to participatory tourism activity. Some tourism products conform to the durable development of the economy, such as in today's economically developed European and American countries. Vacation tourism is regarded as an indispensable part of people's daily life. Tourism products exist as a necessity and its life cycle is generally

became longer and longer.

Social elements: with the development of China's economy, people's incomes continue to increasing, the living standards continue to developing, and the demand of people's spiritual life is rising. Tourism is not the rich unique leisure behavior. In 2010, China's per capita income is \$ 3,620, which can be seen an increasing member of ordinary people to join the travel team. From the point of view in supply and demand, the increasing demands of traveling as a power source, which continue to promote China's tourism industry forward. Furthermore, with the upgrading of Chinese international status and increasing tourism promotion, this industry can have a greater development of inbound tourism.

Technical elements: With the development of science and information technology, the tourism industry and the information industry will become an inevitable trend; the tourism industry will exploit new technologies to achieve new development. Such as popularize the e-commerce to speed up the integration of tourism and information industry.

Through the above analysis can be drawn to the various elements are conducive to the development of China's tourism, and broad prospects for China's tourism market, tourism companies, especially listed travel company facing great opportunities.

4.2.3 SWOT analysis

Tourism enterprises want to survive and develop in the changing environment and fierce competitive market must develop the competitive strategy and marketing strategy. Behind every successful company, there is a successful strategy, but it's just doesn't work when the company do the imitation. Tourism enterprises should choose the appropriate strategy based on the deep understanding and grasp characteristics of the internal and external environment, where one must have adequate knowledge and

understanding. A variety of internal and external factors affect tourism marketing management capabilities of the enterprise ecosystem. This ecosystem is called the marketing environment of tourism enterprises.

In this thesis, I use the SWOT analysis to analyze the case company's marketing environment. SWOT analysis is used to evaluate the strengths, weaknesses, opportunities, and threats involved in a project or in a business venture. Analysis of the advantages and disadvantages is the focus of the analysis of the internal environment, opportunities and threats analysis is the center of gravity of the external environmental.

(1) Strengths

AiBo is among the first joint-stock pilot travel agencies, and now it has become a limited liability company. The case company has an international center, headquarter, outbound tourism center, leisure center, marketing center and ticketing center core business department. Based on market-oriented guide, AiBo makes market information as the company's marketing decision; headquarter has established a network system which is to collect information, induction, analysis, distribution and transmission.

AiBo Travel Company has a customer-first convention. The corporate culture means establish brand awareness, with quality coming first, and further systematic management. The case company focuses on the public image of attentive care of the reputation of the company. Major travel accident never happened in this company. The case company obtains a good reputation in the Chinese tourism industry and tourism consumers.

The case company has 104 branches of domestic travel agencies and offices in more

than 10 foreign countries. Company expands their market form a marketing network. The case company assets ties between the head office and branch travel agency. Various branches of travel agents as a group of companies controlled subsidiaries signed a tourism co-operative agreements with each other. Every brand makes resource sharing and complements advantages. The foreign office has received a lot of foreign tourists every year.

AIBo has two major shareholders which are China Travel Service and the Beijing Industrial Co., Ltd. They have very strong financial strength can support the capital demand in the process of business activities.

AiBo has a high-quality foreign language tour guide team. All of foreign language tour guides have the certification from foreign language school; and they have the study or training experience abroad as well, their occupation moral is higher than the any others in the tourism industry. It can solve the problem of the communication with foreign people.

(2) Weaknesses

The case company focuses on tourism personnel selection and recruitment. Most employees are professionals in tourism business or professionals in foreign languages. Department managers are language majors or professional tour guide graduates. Over the years, the case company just training and selecting outstanding managers from the existing staff, they did not attach other professionals, and did not hire abundant management experience of managers. With the rapid development of the company in the past two years, the board of director's indicates a lack of professional management persons. The company's financial management and administrative management are reaching the development of the enterprise.

Enterprise culture is a very abstract concept, which determines the connotation and

the image of the enterprise, is the existence of a common value orientation for all the staff. AiBo established a series of formal rules and regulations and incentive measures to set up the good enterprise image. To establish the enterprise culture is quite successful, it is the rapid development of the company later played a very positive role. After several years of working perseveringly, the company grows, in the meanwhile people's living standard has greatly improved. Especially the rapid development in the past two years the company's business, most of the staff's income level has been greatly improved. At this point, the company leaders did not to make corresponding adjustments in time for the corporate culture construction.

Although the case company is the fourth largest national travel agency in China, the personnel they obtain are still less than the others. Because the profit is still the main issue where they are standing at the starting point, the expenditure of advertising is also quite small. In the past the operation team, they believe that advertising is a difficulty to evaluate the effect and expensive as well

(3) Opportunities

Regarding to the opportunities, Nordic market as a case study, a detailed description of the external environment analysis will be given by research. Nordic countries have the rich tourism resources. Nordic faces a high degree of homogeneity of the regional market situation. Such as Santa Claus Village in Rovaniemi of Finland, Nordic Museum in Sweden and Norway Rorris, those are regional brands. Those tourism resources supply enough travel lines to the case company. Therefore, the case company can take advantages from those rich tourism resources to develop diversity of tourism and unified line.

In recent years, with the improvement of people's living standard, tourism will become an indispensable part in people's life. Therefore, the tourism industry is very broad prospects in china. The local government wills tourism as the local pillar

industry or leading industry, in policy and funding to support the tourism exhibition, up to the national economic and social development in the role.

(4) Threats

With the continuous development of the tourism industry, an increasing number of travel agencies were found, competition is very fierce. In the future, tourists will have enough money, but the lack of time. Tourists will be looking for the tourism products that provide maximum pleasure in the shortest time. This trend will promote the development of tourism products such as theme parks. In addition, due to the work pressures, many people will choose the fully relaxing way to travelling. Therefore, tourist resort facilities will become the new travel hot spots of the people.

As can be seen from the above SWOT analysis, the case company's biggest advantages are potential lies in the extensive sales network and high-quality team of tour guides. The Biggest disadvantage is the lack of high qualification of management capabilities and comprehensive management level. Tourism industry is a rising industry, AIBO enter the tourism industry upswing industry into a pole at the right time. If the company can give full play to its own advantages, transforming from the disadvantage, to seize the opportunity and avoid the threat, it will usher in the good prospects for development.

4.2.4 Competition analysis

Any competitive behavior is based on economic benefit. The characteristics of the tourism market will inevitably lead to fierce competition between tourism enterprises. In Chinese tourism market, more than a dozen large national tourism set group companies, the reality of the tourism market is a buyer's market, is oversupply, tourists as dominate in the market. As a consumer behavior, travel demand variability and substitutability are high. These features make the tourism enterprises in the grasp

of the dynamic of the tourism market better adapted to the needs of tourists. This is bound to intensify the competition between tourism enterprises. This market is relatively fragile, and therefore companies will inevitably want to seize market opportunities and fierce competition.

The rapid development of electronic information industry, the majority of countries or regions are as much as possible to attract foreign tourists to compete. With the development of tourism market opening to the outside world, an increasing member of foreign tourism enterprises to penetrate the tourism market in china. On the other hand, Chinese tourism enterprises through a variety of ways open up overseas markets. Hong Kong, Taiwan, and South Korea also have their own strong tourism industry. These countries and regions of the tourism market is overlap with our target market, lead to the customer resources need to redistribution in the competition, and tourists have autonomy and uncertainty in the destination choice, make the competition fiercer.

To attract more tourists is the fundamental content of tourism market competition, but the competition must first clear and specific targets for accurate market segmentation, play to their competitive advantages. At the same time, enterprise should use the correct competition strategy and strive to get the advantages in the target market. In the competition, enterprise should focuses on the formation of scale benefit, dispersing the strength of enterprises, and also pays attention to the new tourist markets, especially in the international competition.

For tourism consumption and price correlation, through the mobilization of the price factor can stable stimulated tourism market demand and gain a competitive advantages through price competition. Such as the civil aviation fares on mutual impact of the price of travel agencies, hotel prices and travel agent prices, different countries and regional tourism prices influence each other. To develop a competitive price grid means that price in the tourism market competition has a very close

relationship. Price is one of the important ways of competition to influence the enterprises, tourists and competitors.

Tourism consumption and tourism services are positively correlated. The service is good, tourism consumption will increase and the quality of service is higher, thus tourism enterprise competitive advantage is obvious. The key of tourism competition is non-price competition. Tourism enterprises to gain competitive advantage must enhance and guarantee the quality of service in all aspects of the entire value chain of the tourism services.

4.3 The choice of strategic marketing plan

AiBo travel agents divide their target market into the foreign tourism market and the domestic tourism market. Through the analysis of the case company for each target market tourism products to adopt a different marketing mix to meet the specific needs of each market segment.

(1) A combination of the domestic tourism market strategy

Product strategy is based on traditional tourist routes to develop special trips and business travel. For example, overseas travel can set the line of the consent of the neighboring countries in outbound tourism.

Pricing strategy is compiled for the tourism market mainly to develop new products, and pricing main on the “double high” strategy, and it means implement high price and high promotion simultaneously. High price is that in order to obtain the maximum profit per unit of sales also can recover the cost promptly, and give a sense of high quality to potential customers. High promotion is required by the extensive attention of the target market, and thereby the potential tourists can understand the product quickly which occupied the market speedily.

Channel strategy in the domestic tourism market, is applied with a combination of direct marketing and indirect marketing. Channel strategy is managed mainly through its own retail system, as well as telephone, telex reservation system to sale tourism products to customers directly.

Promotion strategy specified a variety of ways to promote the sale of advertising, public relations and sales promotion. In order to improve the visibility, travel agencies can advertise regularly in newspapers and webpage to introduce the product. In order to attract new visitors and retain old tourists, travel agencies can make a great introduction to their exquisite pictures and culture T-shirt with the company's logo to customers.

(2) Portfolio strategy for the foreign tourist market

In the foreign market, the introduction of tourism products is foreign unique historical, geographical and geological advantages. Such as tour the four Nordic countries. Since these are the world's high-profile tourist attractions without too much publicity on the attractions. Therefore, the promotion of the case company focuses on how to establish a corporate image and expand the company's reputation.

4.4 Based on 4P continuous adjustment of marketing strategy

Modern marketing theory and practice have proved that in order to get a favorable market position and competitive advantages, the marketer should think about it not only from their own perspective but also from the consumers' point of view, and the product, price and promotion channel should be linked to the consumers. In other words, the market product function and attributes must be innovated in accordance with the consumers' need and market' expected profit; the price level of product should be determined by the consumer purchasing power; the promotional elements

should be integrated based on the effective communication with the consumers; the channel of marketing should be arranged according to the convenient for the consumers, and those points should be treated as the basic criteria.

(1) Service strategy

Transportation: It is including different tourist route, the case company can offer different vehicles for our customers. They need make their customers in different level feel comfortable and satisfaction.

Accommodation: The case company also can offer differentiated service for different level's customers, from camp to five star hotels, no matter what they want; they will give customers the best experience.

Travel: Customer through introduction from high quality tour guide to get the information about the characteristic, culture, and history of tourist attractions. Sometimes use the beautiful picture make customer more direct to get the information.

(2) Basic on customer's spending power formulates a differential pricing strategy.

Price is an important part of the marketing mix. The price of tourism products properly often directly related to the competitive position of this kind tourism product in the market. AiBo travel agency can make maximize profits as the company's pricing of tourism products. In the pricing process, basic on competitors and market demand status to operate company to adjust the price, take a variety of flexible pricing strategy.

(3) According to the tourist communication requires integrated marketing communication.

The case company establishes a corporate image while disseminating consumer information of tourism to consumers, and to realize the bidirectional effective communication.

5 CONCLUSIONS

The objective of this thesis is by analyzing the complex situation of the case company the objective is to develop a strategic marketing plan for the case company to gain competitive advantage. The strategic marketing plan was designed in the research of the current tourism market. The study started with the research, and then situation analysis was used to acquire knowledge about the case company and their market situation. I carried out the internal and external environment analysis in the process for the case company in tourism market. The final result for development marketing strategy plan need be combined all interviewees answer with questionnaires, and also some ideas perspective from customer. In addition, the final marketing strategy plan was compiled to enhance the case company's competitiveness for tourism industry. The research question from aimed to provide knowledge of the case company in tourism market before implementing the marketing strategy plan. This research addressed two main questions and three sub questions as follows:

What is the current strategic marketing plan of the case company?

The answer to this question focuses on giving the basic information about the case company for contributing to develop a new strategic marketing plan. This question was answered through analyzing the case company's current situation, market environment and competition situation of tourism market. The new strategic marketing plan was developed for the case company to make it possible for the case company to gain competitive advantages in the international market.

How is it possible to inform the case company in strategic marketing plan?

The question focuses on target of the thesis which is developing for marketing strategy plan for international tourism industry. It could detail to gain answer when I make it be goal for the questionnaires. I started from research theory work, then

combine with some collections documents from case company. In order to get deeply understand, I interviewed company's marketing director. Then I sent it to customer that to apply lots information with different suggestions. Furthermore, the sub questions also are divided into complex question to answer the main research question.

After all the research from interview and questionnaires, I had found lots suggestions for marketing strategy plan in tourism market. The discussion with marketing director can be divided into 2 parts; each had its own thinking solutions for marketing plan. The managers of the case company focus on displays the superiority in market competitiveness. According to the SWOT analysis, the case company has strong brand awareness, with the exact internet system for tourism market, and the wide distribution channel for market. Then the solution for marketing plan in this case was suggesting that through implement the strategic marketing plan to gain the competitive advantages. The case company will consider the new strategic marketing plan, when compared with other companies. As the case company discussed, they are senior member in tourism enterprise, they should change the old strategic market system. In end, the new strategic marketing plan puts forward new ideas and marketing strategy for the development of tourism industry.

Through studying the theoretical knowledge and analyzing the case company in order to know how the case company develops from small domestic travel agencies into an international travel agency. The results are rational strategy formulation and planning a marketing strategy based on market and by analyzing to make necessary adjustments based on the original marketing mix strategies.

Therefore, by analyzing market environment competition and market requirements, this research shows that if travel agencies want to get the superiority from the market competition, they have to build up modern marketing concepts, and adopt rational methods to plan marketing strategy based on the market. Many people involved in

tourism business one after another invest in e.g. sightseeing spots, fun establishments, travel agencies, restaurants, hotels and means of transportation. Especially in the last two years, with the deepening of economic system reform, local government began to pursue the new growth of economy. Tourism industry is paid increasing attention. It is regarded as a mainstream industry in the future, and will become additionally attractive.

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APPENDIX

APPENDIX (1)

INTERVIEW WITH GUO RONG, THE MARKETING DIRECTOR OF AIBO INTERNATIONAL TRAVEL AGENCY. WAS CONDUCTED ON 15 JULY IN 2012

1. Why do you want to open your business for foreigners?
2. What are the goals and objectives of marketing of AIBO in Finland?
3. What is your future business plan concerning AIBO markets and target customer groups?
4. When AIBO started operation in Helsinki?
5. What kind of competitive advantage AIBO has in your opinion?
6. What is your current strategy for developing your business?
7. What kind of experience you got from them for your business operation?
8. You just pointed it out there were some problem in operation of AIBO. What kind of problems AIBO had? Can you explicit it?
9. What are the major competitors for AIBO in Finland and how do you compete with your competitors?
10. Does AIBO have a profitable result on the operation until now?
11. Is it possible to show the net profit margin of AIBO from opening company until now?

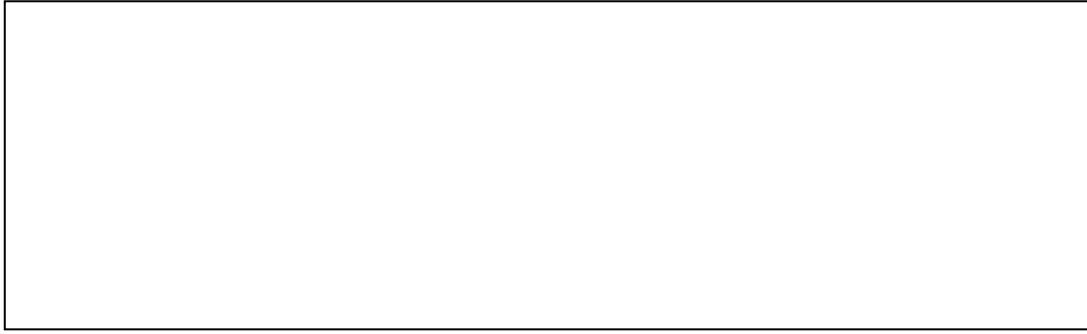
APPENDIX (2)

QUESTIONNAIRE FOR AIBO MARKETING IN INTERNATIONAL MARKETING

This questionnaire is used for researching the situation of AIBO in international market. The research belongs to Bachelor studies as part of final thesis. Please the number in front of the option which suits you best. Please choose your answer to every question seriously. All your answers will be handled confidentially.

1. What do you think about the price of foreign travel group?
A. Very high B. High Medium C. Low D. Very low
2. What do you think about the guide of the group?
A. Very good B. Good Medium C. Bad D. Very bad
3. Which promotion method attracts you most when choosing a travel group?
A. Discounts B. Gifts C. VIP price D. Promotional prizes
E. Club member benefits F. Coupons G. Rewards Product
H. Assurance
4. By which channel do you know AIBO brand?
A. By friends and relatives B. Internet C. TV D. Magazine
E. Newspaper Other, what _____
5. What is your age?
A. <16 B. 16-20 C. 21-25 D. 26-30 E. 1-35 F. > 35
6. What is your occupation?
A. Students B. Business man C. Official Staff
D. Freelancers Other, what _____
7. What do you think about the quality of AIBO service?
A. Very good B. Good Medium C. Bad D. Very bad
8. What are the three (3) most common factors when choosing a group?
A. Quality B. Brand C. Price Discounts D. Availability
Other, what _____

Could you give some suggestions and comments to develop AIBO marketing?

A large, empty rectangular box with a thin black border, intended for the respondent to provide suggestions and comments on AIBO marketing.

Thank you for your co-operation!